

**IMPORTANT NOTICE
ABOUT YOUR
MEDICARE BENEFITS**

**KEEP THIS NOTICE
AS PROOF OF MEMBERSHIP IN [Name of Non-Renewing M+C Plan]**

Call the [insert specific State Health Insurance Assistance Program (SHIP) Name] at
1-800-XXX-XXXX if you have any questions about this letter.

DATE: October 2, 2000

Dear <insert beneficiary's name>:

In [month], [name of M+C organization] sent you a letter notifying you that after December 31, 2000, we will no longer offer [name of M+C plan] to Medicare members in [name of county and/or state].

The enclosed booklet, “Understanding Your Options When Your Managed Care Plan Leaves the Medicare Program”, will provide you with more detailed information about your options for 2001, including information about:

- the Original Medicare Plan (also known as fee-for-service or traditional Medicare);
- Medigap policy options for use with the Original Medicare Plan — including more detailed information about your rights, protections and options;
- your options if you have permanent kidney failure, also known as End Stage Renal Disease (ESRD);
- your options if you only have Medicare Part B; and
- additional resources available to help you understand the information in the booklet and to assist you in making important health care decisions.

Changing the way you receive your health care is an important step. You may wish to ask for help from people you trust — such as your family and friends. **If you or your spouse have health care coverage through a former employer or union, please call your benefits representative before you make any decisions about how you receive your health care. If you have Medicaid coverage, please call the [insert State Medicaid Agency/Office] before you**

Letter for Beneficiaries Under Age 65 Whose Only Option is the Original Medicare Plan

make any decisions about how you receive your health care. And remember, no matter what, you are still in the Medicare program.

Again, keep this notice as proof of your membership in [Name of M+C Plan]. If you choose to purchase a Medigap policy, you may need to present a copy of this letter as proof to the Medigap insurer that you lost your coverage from your health plan and that you have a special right to purchase a Medigap policy.

We regret the need for this action and apologize for any inconvenience our decision may have caused you. If you need more information, please feel free to contact the Member Services Department at [telephone number of non-renewing M+C organization/TTY number]. Customer Service Representatives at this number are available, Monday through Friday [X:XX a.m. to X:XX p.m.]

Sincerely,

[CEO or other official of M+C organization]

Attachment

UNDERSTANDING YOUR OPTIONS WHEN YOUR MANAGED CARE PLAN LEAVES THE MEDICARE PROGRAM

[Name of M+C organization] will no longer offer [name of nonrenewing M+C plan] to Medicare members in [name of county/counties, State] after December 31, 2000. This booklet provides important information on your Medicare options for 2001, and tells you where to call to get help in understanding your options.

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Section I — THE ORIGINAL MEDICARE PLAN

Since no other Medicare health plans are currently available in your area, you will be automatically enrolled in the Original Medicare Plan - also known as traditional Medicare or fee-for-service Medicare - on January 1, 2001, unless you choose to disenroll sooner. You may return to the Original Medicare Plan in one of two ways.

1. Stay enrolled in our plan until December 31, 2000. If you do this, you will automatically begin receiving benefits from the Original Medicare Plan starting January 1, 2001;

OR

2. You can choose to begin receiving benefits from the Original Medicare Plan before January 1, 2001. **Caution:** If you wish to do this, read the Medigap options below in Section II.

To return to the Original Medicare Plan before January 1, 2001:

-Send a written request to our plan, stating that you want to disenroll;

or

-Visit or call your local Social Security office (or Railroad Retirement Board Office, if you or your spouse are retired from the railroad). Tell the customer service representative you wish to disenroll from your managed care plan so that you can begin receiving health care benefits from the Original Medicare Plan;

or

-Call 1-800-MEDICARE (1-800-633-4227 and TTY 1-877-486-2048). Ask to disenroll from your managed care plan so that you can begin receiving health care benefits from the Original Medicare Plan.

When you request to disenroll, you must also request an effective date of your disenrollment. You can choose to be disenrolled and have your coverage in the Original Medicare Plan begin on November 1, December 1, or January 1, as long as our plan or one of the organizations listed above receives your request before the effective date you choose.

You will begin to receive benefits from the Original Medicare Plan the day after your benefits with our plan end. If you choose to disenroll before December 31, 2000, we will notify you in writing when your disenrollment will be effective.

Remember, until your disenrollment from our plan is effective, you must continue to use our doctors and other health plan providers, except for emergencies and urgently needed care.

Section II — MEDIGAP POLICY INFORMATION

Medigap Policy Options with the Original Medicare Plan

Under the Original Medicare Plan, you may decide that you need more coverage than the Original Medicare Plan provides. Many private insurance companies sell Medicare Supplement (Medigap) Insurance Policies for the specific purpose of filling the “gaps” in Original Medicare Plan coverage. Other supplemental coverage may also be available to you through an employer or union health plan.

As mentioned above, “gaps” would include costs that are not covered under the Original Medicare Plan, like deductibles and coinsurance. Medigap policies may pay for some or all of the Medicare coinsurance and copayment amounts, and some or all deductibles. Some standardized Medigap plans also pay for services not covered by Medicare at all. In most States, there are 10 standard Medigap plans available. You may want to consider buying a Medigap policy to help pay for those costs. However, you are **not** required to purchase a Medigap policy in order to have coverage under the Original Medicare Plan.

Important Note to People Under 65

Because insurers are not required to sell Medigap policies to people under 65 in your State, there may be few choices of Medigap policies available for you to buy. However, if an insurer voluntarily sells to any individuals under 65 in <insert State>, it must sell to individuals being disenrolled by <insert name of M+C plan>. Contact the <insert name of SHIP> at XXX-XXX-XXXX for more information about whether any Medigap policies are offered by any insurers to people under age 65 in <insert State>. Also, contact the <insert name of SHIP> if you have additional questions or need assistance regarding your options.

Keep a copy of the attached letter as proof to the Medigap insurer that you lost your coverage from your health plan.

If You Are Considering Purchasing A Medigap Policy

Since [name of M+C plan] will no longer be available to you after December 31, 2000, you have the right to purchase certain Medigap policies, subject to their availability in your State. If a Medigap insurance company sells policies in your State to individuals under 65, it cannot deny you coverage. To protect your rights, you must apply for a Medigap policy within 63 calendar days after one of the following dates:

If you decide to leave our managed care plan before December 31, 2000, and you wish to guarantee your right to purchase Medigap plans A, B, C or F, you will have 63 calendar days from the date on this Final Notification Letter (October 2, 2000). **This means that you will have to apply for a Medigap policy no later than December 4, 2000.**

If you decide to stay enrolled in our managed care plan until our contract ends, your coverage under our plan will end on December 31, 2000. You will be automatically enrolled in the Original Medicare Plan on January 1, 2001. If you wish to guarantee your right to purchase Medigap plans A, B, C or F, you will have 63 calendar days from your last day of coverage under our plan to apply for a Medigap policy. **This means that you will have to apply for a Medigap policy no later than March 4, 2001.**

Regardless of whether you disenroll from our plan before December 31, 2000, or remain enrolled until that date, you are guaranteed the right to purchase Medigap plans A, B, C or F, or similar plans that are available in your State. Companies selling these policies cannot deny you the policy, impose a waiting period, exclude coverage for pre-existing conditions, or discriminate in the price of the policy because of your health status.

Remember that your enrollment in a Medigap policy is not automatic. You must contact a Medigap insurer and request an application. If you decide to purchase a Medigap policy, it is best to apply for the policy early enough so that you can request that your coverage begin the first day of the month following the end of your coverage under our plan.

If You Dropped a Medigap Policy to Join This Medicare Managed Care Plan

If you dropped a Medigap policy to join our plan less than 12 months ago and you have never been enrolled in another managed care plan since starting Medicare, you are guaranteed the right to return to the Medigap policy you dropped if:

The Medigap policy you dropped is still being sold by the same insurance company;

You voluntarily disenroll from our plan within 12 months of initially enrolling in the plan. Do not wait until you are automatically disenrolled on December 31, 2000, if your initial 12-month trial period will expire before that date; and

You reapply for the policy you dropped no later than 63 days after the effective date of your disenrollment from our plan.

Caution: Check to see if your old policy is still available from your original insurer before you disenroll from our plan. If it is no longer available, and any insurance company in your State sells Medigap Plans designated A, B, C, or F to people under 65, either voluntarily or by State law, they must sell you a policy. In this case, you will have some time to make a decision about your Medigap options. You may simply remain enrolled in our plan until you are automatically disenrolled on December 31, 2000.

If you disenroll before December 31, 2000, you must reapply for your old policy or apply for your choice of policy designated A, B, C or F no later than 63 days from your last day of coverage under our plan in order to protect your right to these choices.

Medigap Open Enrollment when You Turn 65

Some States require Medigap companies to offer a limited Medigap open enrollment period for people with Medicare Part B who are under 65. Nonetheless, as soon as you turn 65 and are enrolled in Part B, you will get another open enrollment period. Even if you live in a State that has a Medigap open enrollment period for people under age 65, you will still get another Medigap open enrollment period when you turn 65 and are enrolled in Part B.

During the 6 month Medigap open enrollment at age 65, you will have the choice of all Medigap policies sold in your State.

If you have any questions, concerns or need additional information on your options, contact your State Health Insurance Assistance Program at [XXX-XXX-XXXX].

Section III — WHAT IF I HAVE PERMANENT KIDNEY FAILURE?

Federal law does not allow beneficiaries with permanent kidney failure (also known as ESRD) to join a new managed care plan or private fee-for-service plan. You will automatically be enrolled in the Original Medicare Plan - also known as traditional Medicare or fee-for-service Medicare - on January 1, 2001. *[Note to M+C organizations—for plans in Southern California, insert the following at the end of the previous sentence: “, unless you decide to the ESRD managed care demonstration.”]* Subject to availability in your State, you may be able to buy a Medigap policy. See the Medigap information in Section II. For more information on how to return to the Original Medicare Plan, see Section I.

[Note to M+C organizations—Plans in Southern California ONLY should insert the following information on the ESRD managed care demonstration:

ESRD Managed Care Demonstration

The ESRD managed care demonstration has waivers that permit ESRD beneficiaries for whom Medicare is primary payer to enroll in a managed care plan. The demonstration is currently accepting new members in one location. **To enroll you must live in the demonstration service area.** You may not, however, enroll in a Medicare health plan offered by any other organization.

Call the plan or 1-800-MEDICARE (1-800-633-4227 and TTY 1-877-486-2048) if you have questions about premiums, benefits, enrollment process, service area, or effective dates of coverage:

The Kaiser Permanente demonstration site covers several counties in **Southern California**. Call **1-800-605-4564** toll-free for more information about this demonstration.]

ESRD Networks

ESRD Networks assure the quality and appropriateness of care provided to beneficiaries with permanent kidney failure. This organization can provide assistance in obtaining ESRD services. *<Note to M+C organizations: Your RO will provide the ESRD Network name and the telephone number that should be listed in this letter.>*

Section IV — WHAT IF I ONLY HAVE MEDICARE PART B?

Most Medigap insurers will not sell you a policy unless you have both Parts A and B of Medicare. You have the right to buy a policy, without regard to health status, if you otherwise meet the policy requirements and if you apply within 63 days of receiving the attached notice, or within 63 days of the termination of your coverage under your Medicare health plan on December 31, 2000. However, the Medigap insurer can still require you to have both Parts A and B.

If you are not sure whether you have Medicare Part A, check the lower left corner of your red, white and blue Medicare card. It will show which parts of Medicare you have. If you still are not sure, call your local Social Security office, or call the Social Security Administration at 1-800-772-1213.

If you do not have Medicare Part A, you (or your spouse) have not worked long enough to qualify for premium-free Part A. This means that if you enroll in Part A, you must pay a monthly premium. The 2000 monthly premium for Part A is \$301 per month. If you wish to enroll in Medicare Part A, you should call the Social Security Administration at 1-800-772-1213 or visit your local Social Security office.

When to Enroll In Part A

If you choose to enroll in Medicare Part A now, you qualify for a “Transfer Enrollment Period.” The Transfer Enrollment Period allows you to enroll in Medicare Part A in October, November, or December 2000, or January 2001. If you enroll during one of these months, your Part A coverage will be effective January 1, 2001. You can also enroll from February 1, 2001 through August 31, 2001. If you enroll during one of these months, your Part A coverage will be effective the month after you enroll. The Social Security Administration can provide additional information about the Transfer Enrollment Period.

If you do not intend to enroll in Part A at this time, you will have an opportunity in the future to enroll in Medicare Part A during the annual Medicare “General Enrollment Period.” This period is held from January through March of every year. If you enroll during a General Enrollment Period, your Part A coverage will become effective on July 1st of that same year. Your monthly Part A premium may be higher if you wait to enroll during the General Enrollment Period.

Section V – WHERE TO CALL FOR HELP—INFORMATION & ASSISTANCE

1-800-MEDICARE

1-800-633-4227 and TTY 1-877-486-2048

This helpline is run by the Health Care Financing Administration (HCFA), the Federal Agency that administers the Medicare Program. Customer Service Representatives are available, Monday through Friday (8:00 a.m. to 4:30 p.m. local time), to answer questions about Medicare and to take orders for Medicare publications.

Medicare & You 2001 and other Helpful Medicare Publications

Every household will receive a copy of the *Medicare & You* handbook by October 15, 2000. The handbook will also provide information on your health care options. The handbook is available in English, Spanish, Braille, large print, or on audiotape. Other helpful publications available from the Medicare Choices Helpline include: *Understanding Your Medicare Choices*, *the 2000 Guide to Health Insurance for People with Medicare*, *Your Guide to Private Fee-For-Service Plans*, and *Medicare Supplemental Insurance (Medigap) Policies and Protections*.

<Insert specific State or State Health Insurance Assistance Program (SHIP) Name> 1-800-XXX-XXXX. *[Note to M+C organizations: Your RO will provide the SHIP name and the telephone number(s) above that should be used in this letter.]*

Volunteers are available to discuss your situation and provide information on all options that are available to you.

**<Insert specific State Insurance Commissioner’s Office Name>
1-XXX-XXX-XXXX** *[Note to M+C organizations: Your RO will provide the name and the telephone number(s) above that should be used in this letter.]*

Call if you have questions about the Medigap policies available in your area.

Assistance for Low Income Medicare Individuals & Couples

If you have low income (less than \$1,238 per month for an individual or \$1,661 per month for a couple), you may qualify for some assistance with your Medicare premiums, deductibles, and coinsurance costs. Call 1-800-MEDICARE (1-800-633-4227 and TTY 1-877-486-2048) and ask about Medicare savings for qualified beneficiaries.

Internet Site: www.medicare.gov

This website provides extensive information on the Medicare program including the text of the *Medicare & You* handbook and the *2000 Guide to Health Insurance for People with Medicare*. You can check the Medicare Health Plan Compare database to see if any new managed care plans become available in your area in the future. Information regarding plan availability beginning January 1, 2001 will be available in mid-September. The website also lists referrals to local information sources and links to other health sites.

Local Information Activities in Your Area

HCFA is in the process of planning local activities in many areas affected by plan withdrawals. For more information about the specific events that will be held in your county or state, please call 1-800-MEDICARE (1-800-633-4227 and TTY 1-877-486-2048) or visit HCFA's beneficiary website at www.medicare.gov. Information about local events will be continuously updated. The next section of the booklet provides a list of specific local information activities that are currently planned in your area.

Section VI — OUTREACH ACTIVITIES IN YOUR AREA

Below is a list of planned outreach activities in your community.

DATE

TIME

LOCATION

TYPE OF EVENT FOR MORE INFORMATION, CONTACT

[Note to M+C organizations: Please check the Local Medicare Events database on www.Medicare.gov and include the activities supported by HCFA for the service area that corresponds to this notice. In the event that the Local Medicare Events database has no events listed, you may leave this section blank. The HCFA Regional Office may add events during its review of this notice.]